

Senate File 221 - Introduced

SENATE FILE 221
BY SODDERS

A BILL FOR

1 An Act providing for an automobile rental surcharge,
2 establishing a public transit assistance fund, making
3 an appropriation, and including effective date and
4 applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **324A.6B Public transit assistance**
2 **fund.**

3 A public transit assistance fund is established in the
4 office of the treasurer of state under the control of the
5 department. The fund shall consist of any moneys appropriated
6 to the fund by the general assembly and the amount credited to
7 the fund from the surcharge imposed on the rental of passenger
8 automobiles pursuant to section 423C.5. Moneys in the fund are
9 not subject to section 8.33. Notwithstanding section 12C.7,
10 subsection 2, interest or earnings on moneys deposited in the
11 fund shall be credited to the fund. Moneys in the public
12 transit assistance fund are appropriated to the department to
13 be used on and after October 1, 2014, for purposes of public
14 transit assistance as provided in section 324A.6.

15 Sec. 2. Section 423C.3, subsection 3, Code 2013, is amended
16 to read as follows:

17 3. The tax, when collected, shall be stated as a distinct
18 item separate and apart from the rental price of the
19 automobile, the automobile rental surcharge imposed under
20 section 423A.3A, and the sales and services tax imposed under
21 chapter 423, subchapter II, or the use tax imposed under
22 chapter 423, subchapter III.

23 Sec. 3. NEW SECTION. **423C.3A Automobile rental surcharge.**

24 A surcharge of two dollars is imposed on each automobile
25 rental transaction that is subject to the automobile rental tax
26 under section 423C.3. The lessor shall collect the surcharge
27 by adding the surcharge to the total amount due on the rental
28 transaction. The surcharge shall be stated as a distinct item
29 separate and apart from the rental price of the automobile and
30 any taxes imposed under chapter 423, subchapter II or III, or
31 this chapter. The department shall administer the surcharge in
32 conjunction with administration of the automobile rental tax as
33 provided in this chapter.

34 Sec. 4. Section 423C.5, Code 2013, is amended to read as
35 follows:

1 **423C.5 Deposit of revenue.**

2 1. The Except as provided in subsection 2, revenue arising
3 from the operation of this chapter shall be credited to the
4 statutory allocations fund created under section 321.145,
5 subsection 2.

6 2. Revenue from the collection of the surcharge imposed
7 under section 423C.3A shall be credited to the public transit
8 assistance fund created under section 324A.6B.

9 Sec. 5. EFFECTIVE DATE. This Act takes effect October 1,
10 2013.

11 Sec. 6. APPLICABILITY. This Act applies to automobile
12 rental transactions entered into on or after October 1, 2013.

13 EXPLANATION

14 This bill imposes a \$2 surcharge on every automobile rental
15 transaction that is subject to the automobile rental excise
16 tax. Pursuant to current law, the automobile rental excise tax
17 is imposed on the rental of motor vehicles designed primarily
18 for carrying nine passengers or less, excluding motorcycles
19 and motorized bicycles, for a period of 60 days or less.
20 The automobile rental surcharge is to be collected by the
21 lessor by adding the surcharge to the total amount due on the
22 rental transaction. The department of revenue is required to
23 administer the surcharge in conjunction with the administration
24 of the automobile rental excise tax.

25 The bill establishes a public transit assistance fund to
26 be administered by the department of transportation. Revenue
27 from the collection of the automobile rental surcharge shall
28 be credited to the fund. The bill appropriates moneys in
29 the public transit assistance fund to the department of
30 transportation to be used, beginning October 1, 2014, for
31 providing assistance to public transit for the development,
32 improvement, and maintenance of public transit systems
33 according to current policies established in Code section
34 324A.6.

35 The bill takes effect October 1, 2013, and applies to

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1 automobile rental transactions entered into on or after that
2 date.